

## INTERIM REPORT OF THE COMMITTEE OF INQUIRY TO REVIEW THE PAY AND CONDITIONS OF EMPLOYMENT OF THE DRIVERS AND CONDUCTORS OF THE LONDON TRANSPORT BOARD'S ROAD SERVICES.

1. We were appointed jointly by the Minister of Labour and the Minister of Transport on 20th November, 1963 with the following terms of reference:—

“ To review the pay and conditions of employment of the drivers and conductors of the London Transport Board's road services in the light of the Board's manpower requirements for those services, the Board's statutory responsibilities, the working and operating conditions in London traffic, and the likely repercussions of any changes on other employments paying due regard to the possibilities of increasing the efficiency of London Transport's road services and to the considerations affecting national economic growth ; and to report ”.

2. The Minister of Labour, in his statement announcing the appointment of the Committee, said that “ The Government have considered the situation arising from the claim for increased pay and improved working conditions for the operating staff of the London Transport Board's road services and the difficulties the Board is facing in the manning of these services ”. He also said “ The Minister of Transport and I want the Committee to open its inquiries at a very early date and to complete them as soon as the scope of their remit allows.”

3. At our meeting on 29th November, 1963 we decided to produce an interim report and after the meeting we issued the following statement:—

“ The consideration which the Committee has given to the task placed on it by its terms of reference has shown that careful examination of a number of the issues referred to it will inevitably take time. In these circumstances and having regard to the statement made by the Minister of Labour in Parliament that he and the Minister of Transport wish the Committee to complete its inquiries as soon as the scope of their remit allows, the Committee feel that their right course is to produce an interim report.

The Committee is pressing on with this urgently and will hear the evidence of the London Transport Board and the Transport and General Workers' Union on Thursday the 5th and Friday the 6th of December. It believes it to be in the public interest that it should at present hold hearings in public ”.

4. We have held meetings on nine days, on three of which we have heard oral evidence from the London Transport Board, the Transport and General Workers' Union and the Transport Users' Consultative Committee for London. We have also received written evidence from individuals and organisations, most of which bears on the wider issues which we intend to cover in our final report, and studied various reports and papers relevant to the various problems involved.

## Statutory and Financial Obligations of the London Transport Board

5. The statutory obligations of the Board which bear most upon our terms of reference at this stage fall into two categories. First there is their obligation to provide an adequate service to the public. Secondly there is their obligation to conduct their business on a proper financial footing.

6. The duty to provide an adequate service to the public is imposed by Section 7 (1) of the Transport Act 1962, which says:—

“ 7 (1) It shall be the duty of the London Board in the exercise of their powers under this Act to provide or secure the provision of an adequate and properly co-ordinated system of passenger transport for the London Passenger Transport Area, and to have due regard to efficiency, economy and safety of operation as respects the services and facilities provided by them.”

7. The Board is given power by Section 7 (3) of the Transport Act 1962 to carry passengers by rail and road inside the London Passenger Transport Area. In certain circumstances it is also empowered to carry passengers by road outside that Area, but its duty to provide services relates only to the Area.

8. The financial duty of the Board, in common with that of the other nationalised transport Boards, is imposed by Section 18 of the Transport Act 1962. Subsections (1) to (3) of this Section say:—

“ (1) Each of the Boards shall so conduct their business as to secure that their revenue is not less than sufficient for making provision for the meeting of charges properly chargeable to revenue, taking one year with another.

(2) Each Board shall charge to revenue in every year all charges which are proper to be made to revenue, including, in particular, proper provision for the depreciation or renewal of assets and proper allocations to general reserve, and the reference in subsection (1) of this Section and other references in this Act to charges properly chargeable to revenue shall be construed accordingly.

(3) Without prejudice to the Board's power to establish specific reserves, each Board shall establish and maintain a general reserve.”

9. In the performance of their financial duty under the Act, the London Transport Board are guided by the principles enunciated in the Government's White Paper on “ The Financial and Economic Obligations of the Nationalised Industries ” (Cmnd. 1337), published in April, 1961. In this White Paper it was stated that revenue surpluses should be at least sufficient to cover revenue deficits over a five-year period, and in addition provision should be made from revenue for the excess of depreciation at replacement costs over that calculated on historic (original) cost, and for adequate allocations to general reserves. The Government therefore proposed, in consultation with each Board, to agree a framework on the above lines for a period of five years. The target agreed for the London Transport Board is an average

balance of revenue of £4 million a year for the five-year period 1963-1967 after provision for depreciation at historic cost and after meeting interest charges. This relates to the undertaking as a whole. Its road and rail services are complementary one to the other and there is no separate target for either, nor, for instance, is interest charged specifically to the one or to the other. The balance of revenue of £4 million will not be available for disposal. It will be used to help to finance the renewal of assets at current prices and to contribute to the Board's investment outlay for the purpose of carrying on the undertaking.

10. The Board are under a statutory obligation to submit proposed changes in fares to the Transport Tribunal. Section 46 (4) of the Transport Act 1962 says that they "shall make such applications [for London fares orders] . . . as appear to them to be necessary in order to secure that their charges subject to the London fares orders make a proper contribution to the discharge of their financial duty . . ." The Tribunal are required by Section 45 (4) to do nothing which will in the Tribunal's opinion prevent the Board "from levying charges which make a proper contribution towards the discharge of their financial duty, taking into account their present circumstances and future prospects and any directions given to them by the Minister".

11. We understand that in 1963 as a whole the London Transport Board will have earned a surplus of only £2½ to £2½ million; though at present the surplus is running at a rate of £3½ million per annum, by reason of the fares increases which were operative only from 23rd June, 1963. It is therefore clear that there is at present no surplus available in which possible increases in costs might be absorbed if the set target is to be currently achieved.

#### **The implications for fares of a rise in pay**

12. We have received from the Board a statement of the total cost of a unit rise in basic rates from which we have extracted Table 1. The Board's Chief Financial Officer told us that "to the extent that our costs are increased as a result of a wage increase or an improvement in conditions of service, to approximately that extent must fares be increased". In deciding how and when fares should be increased, there were many considerations to be taken into account. London Transport road fares were integrated with their rail fares and there was a high degree of assimilation with the charges of British Railways. London Transport were therefore not in a position to increase or change fares quickly or without consultation. There might also well be commercial considerations to take into account, such as the state of the market. There was no obligation on London Transport to raise fares immediately in response to increased costs, but any shortfall in the early years of their five-year programme could only mean the finding of a larger sum later. The Chief Financial Officer further informed us that "what we have in mind must mean quite a substantial, if not fundamental, change in our fares system, and it would therefore, I think, have to be a fairly far-reaching alteration in our scales of fares which covered most, if not all, our fares".

TABLE 1

## LONDON TRANSPORT BOARD'S ROAD OPERATING SERVICES

ESTIMATED COSTS IN A FULL YEAR OF GRANTING INCREASES OF 15. PER WEEK ON BASIC RATES

Grade	Establishment October 1963	Estimated Cost 1s. p.w.
<i>Central Buses</i>		£ p.a.
Wages		
Drivers ... ... ...	15,200	43,500
Conductors ... ...	15,300	44,000
Supervisors and Control	30,500 2,500	87,500 6,500
	33,000	94,000
<i>Country Buses and Coaches</i>		
Wages		
Country Buses		
Drivers ... ...	2,100	6,200
Conductors ... ...	1,800	5,100
Double Deck Coaches	3,900	11,300
Drivers ... ...	300	900
Conductors ... ...	300	900
Single Deck Coaches	600	1,800
Drivers ... ...	500	1,450
Conductors ... ...	500	1,450
Supervisors and Control	1,000 5,500 500	2,900 16,000 1,300
Total ... ... ...	39,000	say 17,000
		111,000

## Some features of the London Busman's job

13. The London busman has to cope with some of the heaviest and most extensive concentrations of traffic in the country. Where congestion occurs in peak hours, both driver and conductor need tact and patience in dealing with the public.

14. The London Transport Board has rightly set certain standards in recruiting bus drivers and conductors. These standards are in respect of aptitude, physique and age; certain personal qualities of temperament and appearance are also required. In addition, drivers must hold a public service vehicle licence. The present minimum age for bus drivers is 21 and for conductors 18 and the Board consider that in view of the exacting work and responsibilities undertaken these minimum ages should not be reduced. All recruits have to pass a medical examination on joining and to undergo further examinations during their service so as to maintain the standard of physical fitness which is essential to the safety of the public. The Board has its own training scheme for drivers and conductors.

15. By its very nature the job of the busman has features which many would find unattractive. He often has to start his day before other workers or finish after them, his turns of duty are constantly changing, and he must work on Saturdays, Sundays and public holidays as part of his

routine. The early starts and the late finishes may be illustrated by the rosters of the Central Bus crews from Mondays to Fridays, under which over 40 per cent. must be at work before 7 in the morning and half finish at 7 in the evening or later; 15 per cent. must start before 6 in the morning and more than 20 per cent. finish after 11 at night.

16. The average weekly time on duty per crew of, for example, the Central Buses under the winter schedules of 1963 is 39 hours 18 minutes. But the need to break spells on the bus extends the lapse of time between starting work and finishing for the day, i.e., the "spreadover". The maximum spreadover under the Agreement between the Board and the Union may not exceed 9 hours for 80 per cent. of the duties on weekdays and all of the duties on Sundays; for the remainder it may not exceed 12 hours 40 minutes on Mondays to Fridays, and 10 hours 30 minutes or 10 hours on Sundays according as duties are completed by or after 8 p.m.

#### Working and Operating Conditions in London traffic

17. The number of passengers carried by London's buses has declined substantially in recent years. Between 1953 and 1962 the number of passenger journeys fell by 32 per cent., but the number of vehicle miles travelled by all road services of the London Transport Board fell by only 23 per cent. and the number of crews employed by only 26 per cent. This has resulted in a reduction of the number of passenger journeys per vehicle mile and the average load per vehicle, but the average vehicle miles per crew have slightly increased.

18. Meanwhile there has been a great rise in the number of cars licensed and the density of traffic. In Greater London the number of cars licensed increased during the last decade about  $2\frac{1}{2}$  times. Traffic counts have shown more than a doubling in this decade of private cars passing census points in Greater London. The increase has been greatest outside Central London. In Central London the increase was 91 per cent.; in the inner suburbs it was 107 per cent.; in the outer 129 per cent. The Report "London Transport in 1961" states "Road improvements and one-way traffic schemes coupled with the police controls maintained in the West End and City and the spread of parking meters have enabled traffic in the Central Area to flow more freely; the inner suburban fringe area, on the other hand, has become increasingly congested."

19. This increasing volume of traffic has made it increasingly difficult to run buses to time. Delays through congestion or street obstruction cause the bunching of buses and the disruption of schedules. In periods of the worst congestion, buses have to be turned back short of their destination to keep the schedules operating, and a loss of mileage results. In 1962, for example, more than  $2\frac{1}{4}$  million vehicle miles were lost from this cause. This compares with nearly  $7\frac{1}{2}$  million miles lost from staff shortage in the same year.

20. The problems of London Transport have been intensified by the increasing concentration of traffic in certain periods of the day and week. The peaks on Monday to Friday have become sharper, while late evening

passenger demand has diminished greatly. Nearly a third of all bus hours of the Central London buses are now operated within the peak period of 7.30 to 9.30 a.m. and 4.30 to 6.30 p.m. Travel by public transport has been reduced much more at weekends than on Monday to Friday. Within Saturday, travel by public transport in the late afternoon and evening has continued to decline.

#### Present basic rates of pay, rostered earnings, and hours of work

##### *Rates of pay*

21. The rates of pay and conditions of employment of the drivers and conductors employed by the London Transport Board are fixed in agreements between the Board and the Transport and General Workers' Union. The present basic weekly rates for drivers and conductors with not less than one year's service are :—

	<i>Drivers</i>		<i>Conductors</i>	
	s.	d.	s.	d.
Central Buses and double-deck				
Coaches	...	...	252	6
Country Buses	...	...	239	0
Single-deck Coaches	...	...	249	0
			229	0

The rates of women conductors are the same as those of the men.

22. The basic weekly rates for all drivers and conductors employed on all London Transport road services are paid in respect of an 84 hours fortnight in 11 scheduled daily duties, and the standard working day is 7 hours 38 minutes. Overtime payments are made for any time worked in excess of the standard working day, and enhanced rates (which may be paid concurrently) are paid for work on a Saturday after 1 p.m. (time-and-a-quarter); for work on Sundays and Public Holidays (time-and-a-half); and in respect of night work (time-and-a-quarter in respect of duties commencing before 2.0 a.m. and finishing after 3.0 a.m.). Additional allowances are paid in respect of duties starting before 6.0 a.m. and finishing after 10.0 p.m. An off-duty meal break (known as a meal relief) of not less than 40 minutes is provided in every full scheduled daily duty. This meal relief is not paid for, but if it exceeds 40 minutes (so that the period between the start and finish of the scheduled daily duty exceeds 8 hours 18 minutes) the off-duty time in excess of 40 minutes is paid for at the standard hourly plain-time rate, and this payment is known as the spreadover allowance. On Mondays to Fridays duties may be scheduled up to a maximum of 8 hours 15 minutes daily provided that not more than one fifth of the duties exceed 8 hours. On Saturdays, Sundays and Public Holidays the scheduled duties must not exceed the standard working day.

##### *Rostered weekly earnings*

23. All drivers and conductors are required to work their 11 daily duties per fortnight at times fixed by the roster applicable to them and consequently their weekly earnings always include, in addition to their basic weekly rate, additional payments for weekend work, early or late starting, spreadover and scheduled overtime. The total earnings received from basic pay and

the additional payments for working the roster are known as the rostered earnings. In October, 1963 the average rostered earnings were:—

			<i>Drivers</i>	<i>Conductors</i>		
			s.	d.	s.	d.
Central Buses	...	...	293	0	281	8
Country Buses, one-man		...	303	8*		
	two-men	...	281	0	269	6
Coaches, single-deck	...	...	282	6	260	4

\* If bus has 26 seats or over

24. The rostered earnings vary in a given fortnight between one crew and another operating from the same garage, and between one fortnight and another for the same crew, according to the incidence in their rosters of the duties for which additional payments are made. At garages where the complete week's working is contained in one rota, the average weekly rostered earnings on the Central Buses range at present from 287s. 11d. to 297s. 7d. The range at garages where the work is split between several rotas may be illustrated by the range from 287s. 1d. to 300s. 0d. at the Chalk Farm garage. The range of rostered earnings of conductors is comparable to that of drivers.

#### *Unscheduled Overtime*

25. The figures quoted in the preceding paragraph are those for rostered earnings, and do not include the earnings which drivers and conductors may earn in respect of unscheduled overtime. Such overtime is not a condition of employment, but has normally been performed on a voluntary basis in recent years because of the persistent staff shortage.

#### *Hours of Work*

26. The current average weekly time on duty per crew on Central Buses is 39 hours 18 minutes, of which 32 hours 13 minutes is running time. The average weekly time on duty per crew on all Country Buses (taking one-man and two-man buses together) is 39 hours 27 minutes, of which 30 hours 29 minutes is running time. The average weekly time on duty of crews of Coaches (taking single deck and double deck coaches together) is 38 hours 19 minutes, of which 32 hours 35 minutes is running time.

27. The time on duty of an individual crew varies from rota to rota and from garage to garage. In October, 1963, the average time on duty for the whole of the Central Buses was 78 hours 36 minutes per fortnight. It ranged from 73 hours 26 minutes (Clapton garage) to 80 hours 2 minutes (Edmonton garage); in the Country Buses the range was from 74 hours 37 minutes (Staines garage) to 80 hours 50 minutes (Swanley garage, the longest time apart from Tunbridge Wells where circumstances are exceptional).

#### *Spreadover*

28. The hours of duty just referred to do not include the 40 minutes allowed for meal relief and the additional off-duty time which may come at the end of the meal relief before the next spell of duty starts. We have

already noted that the average overall time from sign-on to sign-off, including the period of relief, is called the spreadover. In October 1963 the position was:—

	time on duty	Average weekly	
		hrs. mins.	spreadover
Central Buses	...   ...   ...	39   18	47   5
Country Buses, one-man	...   ...	39   12	47   46
	two-man	...   ...	39   31   48   10
Coaches	...   ...   ...	38   19	44   5

Crews are not obliged to remain at their garage during the additional off-duty time, but unless their homes are near the garage it is often not possible for them to go home then.

#### *Sick Pay*

29. A non-contributory sick pay scheme is in operation which applies to all drivers and conductors. Under the scheme sickness benefit is provided for all absences due to sickness or accident which exceed seven consecutive calendar days, subject to provision of a medical certificate and a qualifying period of employment of one year's continuous service for men and five years for women. No benefit is paid for the first seven days of absence. Benefits vary according to sex, age and length of service. For example, men aged 21 or over and women aged 25 or over with 15 or more years' continuous service receive 40s. sick pay per week for 12 weeks in any year, and men over 18 but under 21 with at least one year's continuous service receive 15s. per week for six weeks in any year.

#### *Pensions*

30. A contributory pension scheme is in operation for male wages grades staff only. Membership has been compulsory for male wages staff entering London Transport services since 1st October, 1954, on completion of one year's service and subject to certain other qualifying conditions. Pensions are provided on retirement at the age of 65, or earlier in the event of ill health after at least ten years membership in the scheme. They vary with the length of membership.

#### *Holidays with Pay*

31. On completion of twelve months' service drivers and conductors are entitled to an annual holiday of two consecutive weeks with two weeks' pay at the standard weekly rate. The holiday is deemed to include three rest days and must be taken within the period mid-March to October inclusive. In addition if a driver or conductor is required to work on a Public Holiday an additional day's holiday with pay is given in lieu.

#### *Pay Comparisons with other Occupations*

32. Because of the special features of the busman's day and pay any comparison with other occupations must be subject to large reservations. After examining a considerable volume of data on comparative pay, in various occupations, we have, however, formed certain general impressions.

33. First, we may take the *basic rate*—the starting point in the complex calculation of actual pay. The basic rate is only a partial indication in the sense that every busman in fact receives substantially more than this amount. The corresponding basic rates in most other occupations are also inadequate as indicators of actual income—often more so than in the bus service. Yet the basic rate has a certain psychological importance when jobs are being compared. It also enters into calculations of other elements, such as holiday pay, sick pay and pensions. In what is, perhaps, this shadow hierarchy of basic rates, the London busman stands fairly high among wage-earners: the basic rate for the London Central bus driver stands eighth out of the 105 principal occupations whose basic rates are listed in the Ministry of Labour's "Statistics on Incomes, Prices, Employment and Production" for September, 1963. The rates for the occupations which are directly competitive for labour with London Transport are given in Table 2. None of the occupations shown in the Table is to be regarded as precisely comparable with the job of the London busman. Nor are they necessarily comparable with each other. In only a few of them is it necessary to provide a service round the clock and every day of the year. The skill, concentration and sense of responsibility required vary widely. Comparison with other occupations, especially factory work, is not so useful. In many industries the majority of firms offer rates in excess of the basic rates settled by collective agreements. The basic rate for London Transport may, it is true, be what it is because the work involves inconvenient times of operation (which in some other industries would be compensated by higher premiums than hold in London Transport for early or late working or for weekend work); and because public transport offers nothing comparable with the special rates offered by some competitive employers in private industry. Even for lorry and van driving, it is significant that the rates quoted in the Table for several private employers are substantially greater than the wages council minima.

34. Secondly, we looked at the *rostered earnings* of busmen. These represent the average income that would actually be realised in normal conditions, with no staff shortage. For most other occupations there is no pay figure which is quite comparable, but a rough guide can be got by adjusting actual earnings in other industries to a 42-hour week, excluding premiums for overtime. On this roughly comparable basis we estimate that the average 42-hour week earnings of men in manufacturing industry in the London and South-Eastern Region were in April, 1963 around 306s. For all industries in the same Region in the Ministry of Labour's inquiry we estimate that the figure was around 292s. The rostered weekly earnings of the Central bus driver are now 293s., of the Central bus conductor 281s. 8d. The weighted average for all bus drivers and conductors is around 285s. 4d. These hypothetical figures of earnings in industry generally are based on a 42-hour week completed within normal working hours and increasingly within a 5 day week. If the factory operative had to work at the same times as the busman, his earnings would be significantly greater. Thus in the real world of earnings actually realisable in normal conditions, the busman's rostered earnings stand below the average.

35. Thirdly, we have compared the actual *gross earnings* of busmen, taking into account the voluntary overtime worked to meet the staff

shortage. Neither the London Transport Board nor the Union is willing to treat this figure as a suitable basis for comparability and we would agree that it is not a proper basis for establishing future rates of pay. Yet it is a factor in the current situation—even if only a temporary one—which cannot be ignored entirely. It appears that the actual gross earnings of all drivers and conductors during the summer of 1963 were generally between 310s. and 330s. This compares with average earnings in all manufacturing industry in April, 1963, in the London and South-Eastern Region, of 352s. 3d., for a week of 46·7 hours. For all industries in the Ministry of Labour's inquiries, the figure was 342s. 9d. for 47·5 hours. Thus even in the current situation of shortage, the busman's gross earnings including the element of voluntary overtime are well below the general average.

TABLE 2  
COMPARISON OF BASIC WAGE-RATES, NOVEMBER, 1963

	Weekly wage rates		Basic hours
	Drivers	Conductors	
<i>London Transport</i>			
Central buses—maximum ...	252 6	242 6	42
All services, weighted average ...	250 4	240 6	42
		245s. 4d.	
<i>Other bus services</i>			
Municipal (N.J.C.)—maximum ...	218 9	213 6	42
Company (Nat. Council)—maximum ...	217 3	213 3	42
Birmingham City (12 months service) ...	249 5	244 2	42
Walsall and Wolverhampton ...	225 9	220 6	
Luton and Coventry ...	229 9	224 6	
<i>Lorry and van drivers</i>			
Road Haulage contracting: Wages Council minima for London—			
5-10 tons ...	205 6		42
Over 18 tons ...	230 9		42
British Road Services—London—			
5-10 tons ...	207 6		42
Over 18 tons ...	231 9		42
Petroleum distribution—London—			
~1,500 gallons ...	240 0*		42
3,000 gallons and over ...	254 9*		42
G.P.O. mail van drivers—			
Inner London ...	232 6†		45 gross
Outer London ...	224 6†		45 gross
Local Authorities—London, day work—			
~2 tons ...	231 6		42
Over 10 tons ...	249 0		42
Ambulances ...	259 0		42
Wholesale Grocers etc. drivers—London—			
~30 cwt. ...	218 6		42
Over 5 tons ...	230 6		42
Retail Co-op Societies—			
Metropolitan—Drivers ...	212 6 to 221 6		42
Bakery Roundsman ...	211 6		42
Building—London ...	257 2 to 276 2		44
Civil Engineering ...	241 9 to 250 8		42½
Pressed Brickmakers Association ...	247 8 to 255 6		

	Weekly wage rates		Basic hours
	Drivers	Conductors	
Guinness Transport Ltd. ... ... ...	s. d.	s. d.	
	280 9 to		
	308 0†		
4 Major flour milling firms—London area	373 1 to		42-45
	478 7		
SPD Ltd. (Unilever)—over 5 tons...	256 6		
Pease Transport (Tate & Lyle) ...	251 8 to		40
	263 4		
Allied Services Ltd.	257 6		
United Glass Ltd.—under 4 tons ...	264 0		
<i>Railway Services</i>			
British Railways—London—			
Engine driver on maximum ...	290 0§		42
Guard on maximum ...	235 0		42
London Transport—Underground—			
Motorman on maximum ...	290 0		42
Guard on maximum ...	235 0		42
<i>Other occupations</i>			
Traffic wardens—Inner London ...	s. d.		
	289 0		
Milk Roundsmen—Wages Council minimum—London.	200 6		43
	plus commission		
Postman on maximum—			
Within 3 miles of Charing Cross ...	257 0		45 gross
Rest of London ... ... ...	249 0		45 gross

*Sources:* Information from the Ministry of Labour and statements submitted by the London Transport Board and the Transport and General Workers' Union.

\* Plus 6d. an hour for change to 30 m.p.h. operation.

† Plus 2s. 1d. a day when driving over 2 hours per day.

‡ Plus 7d. an hour for change to 30 m.p.h. operation.

§ Plus mileage allowance from 6d. to 2s. 6d. for every 15 miles in excess of 65 up to 140 in one tour of duty. Maximum reached after third year of service. Rate in first year of service is 261s. 0d.

### Comparison of Relative Wages over Time

36. The appropriate pay of busmen now must be determined in the light of present and foreseeable future circumstances. We do not therefore attach special importance to any need to restore pay relationships to those that held at any particular time in the past. None the less, it is clear that one factor in present difficulties is that the London busman's job is no longer—as it was 20-25 years ago—one of the most highly paid of wage earning occupations. Shortly before the war basic rates for drivers were 72s. 6d. for country buses and 90s. for Central buses—at a time when average earnings for men in all industries were around 70s. The favourable position of the London bus driver was lost during the war and has never been regained. His basic rate is, indeed, among the very few which have risen since before the war less than retail prices.

### Staff shortages and turnover

37. Staff shortages are measured as the difference between the actual number employed and the Board's "establishment", that is, the number which they consider necessary to fulfil their statutory obligation to provide a satisfactory service. So measured, shortages have been continuous for ten years. Table 3 sets out the figures for Central Bus drivers where the

shortage has been most acute. The shortage of staff reached its peak in 1960-61, but has been increasing again this year.

38. There is evidence (shown in table 4) to support the view that increases in wages have in fact resulted in improved recruitment—taking into account the general wage situation and the overall unemployment position, also shown in the Table. Thus the big increases in busmen's rates in 1955 and in 1960 were followed by significant gains in staff in each of the following years. The biggest staff losses were in 1954-55 when there had been no increases of rates in 1953 and there was only a small increase in 1954; and again in 1958 and 1959 which may however be associated with the bus strike in 1958 as well as with the modest size of the wage rises in 1957-59. There has not been time yet to assess the effects of the 1963 increases.

39. The Ministry of Labour reported to us their experience in trying to fill the Board's vacancies. When offers of work with the Board had been made to apparently suitable registrants at Employment Exchanges the objections had fallen into the following main categories:—

- (i) Non-competitive rates.
- (ii) Shift hours.
- (iii) Difficult journeys to and from home and garages.
- (iv) Variations between summer and winter schedules.
- (v) Lack and cost of suitable accommodation in the case of recruitment beyond daily travel.

40. We consider that the following further points should be regarded as possibly making the busman's work unattractive compared with work in manufacturing industry:—

- (i) Holidays which have to be spread over the period from March to October, so that some fall outside the usual holiday periods and school holidays.
- (ii) Weekend working.
- (iii) The hazards of London traffic made worse by the winter weather conditions of fog and snow resulting in longer working hours under the most trying conditions.
- (iv) The inability to earn additional pay as in manufacturing industry under payment by results schemes.
- (v) The irregular hours as a result of frequent changes in turns of duty.
- (vi) Additional living costs arising from the need to provide meals and additional heating and lighting outside the needs of the rest of the family because of the irregular hours worked.

41. The difficulties of recruitment may be illustrated by the following instances. Out of 2,800 applications received in a recent period only 390 proved to satisfy the requirements for the job. Recruitment campaigns in other parts of the country, including Northern Ireland, have been singularly unfruitful. Of 27 interviewed in a campaign in Middlesbrough and Gateshead in April, 1963, only 7 were accepted, all as conductors on the country services. Seventy-four interviews at the same time in Belfast produced 1 driver and 5 conductors.

42. A natural accompaniment of these difficulties is a high rate of turnover. Among Central Bus conductors the wastage has latterly been between 4,000 and 5,000 a year—around one third of the number in the grade. Among drivers, the figure is only about half as great, although there has been a big increase this year. These figures may not appear remarkably high in relation to general experience in industry. But they are very high rates for public undertakings which require special qualifications and training and where long-term employment has always been normal. An analysis of one block of resignations shows that over 40 per cent. of the drivers who resigned, and nearly 40 per cent. of the conductors, were leaving after less than 2 years service. In a sample of 243 leavers, well over half went to five alternative types of employment—the General Post Office, light engineering and factory work, other road passenger transport, retailing, and milk distribution.

43. One of the most serious results of the persistent shortages has been the necessity to maintain services by voluntary overtime in excess of the rostered week. In 1962 about 7½ per cent. of the vehicle mileage was run on voluntary overtime.

TABLE 3  
ESTABLISHMENT, EMPLOYMENT AND SHORTAGE OF CENTRAL BUS DRIVERS

	Establishment	Number employed	Shortage	Percentage shortage
January	1954	19,912	400	2.0
	1955	19,393	1,242	6.4
	1956	18,331	1,551	8.5
	1957	17,993	697	3.9
	1958	18,285	1,281	7.0
	1959	16,204	521	3.3
	1960	15,805	1,668	9.6
	1961	15,822	2,268	14.2
	1962	15,489	1,437	9.2
	1963	15,288	1,462	9.4
November	1963	15,209	1,808	11.9

TABLE 4  
FACTORS IN THE SHORTAGE

	Central Bus drivers		Increase during year in Ministry of Labour index of wage rates for men	Unemployment in London (average of year)
	Change in number employed during year	Increases in basic rate in year		
			Shillings	Per cent.
1954	...	— 1,361	7.0	0.8
1955	...	— 1,371	27.6	0.6
1956	...	+ 516	7.6*	0.7
1957	...	— 292	—	0.9
1958	...	— 1,321	8.6	1.2
1959	...	— 1,546	—	1.1
1960	...	— 583	28.0	0.8
1961	...	+ 498	—	0.9
1962	...	— 226	6.6	1.2
1963 to November	— 425		16.0	1.3

\* And hours reduced from 44 to 42.

† Figure to October.

## Recommendations

44. The facts and considerations we have set out seem to us not only to reveal a basic problem but also to show what can be done about it. The pay of the drivers and conductors of the London Transport Board's road services, set against the nature of their jobs, the conditions in which those jobs are done, and the net advantages of other jobs, has not proved high enough in recent years to attract and retain a sufficient staff. That pay stands too low relatively to alternative employments in the London area. The relative wages provided by the various employments within any area make up what may be called the wage structure of that area, and it is a mark of an employment having come to rank too low in the structure that wastage of staff is higher than it used to be and recruitment more difficult. We consider that the London busmen now rank too low in the London wage structure, and that their relative wages should accordingly be raised.

45. Under our terms of reference we are to review the pay and conditions of employment of the drivers and conductors of the London Transport Board's road services, paying due regard to the possibilities of increasing the efficiency of those services. In so far as a rise in pay can be accompanied by measures that reduce costs there need be no rise in fares. It is a main object of our further inquiry to see how far this may be possible; but we consider that the basic problem as we have described it is so pressing that an interim rise is necessary.

46. We recognise that the rise we recommend will in present circumstances need to be covered by some rise in fares. So far, the average fares of the London Transport Board's road services have risen very much in step with retail prices generally—both are about three times today what they were in 1939. But road passenger transport is a service industry, in which wages and salaries make up a high proportion of total costs—in London today as much as 70 per cent.: and in all developing economies there is a tendency for the prices of services to rise relatively to those of manufactures. In any case, the cost of providing the passenger-mile cannot be kept down by paying less than will retain the staff needed to provide it. The evidence of the Transport Users' Consultative Committee for London has made clear how much inconvenience and hardship the staff shortages have meant for the public; and we note that in their report for 1961 the Committee said that they "consider it is in the best interests of the public to establish and maintain, as far as possible, the economic price for public transport, which assists in avoiding the inconvenience and hardship which inevitably accompany intermittent failures in the standard of service offered" (paragraph 65). We think also that the increase in the cost of the passenger-mile that follows on a present rise in busmen's wages will be reduced in so far as the rise makes it possible to retain a bigger staff and provide a better service thereby checking the drift of the public away from the buses, and causing them to be utilised more fully. It is also relevant that if more staff can be retained there will be less need for the more costly overtime.

47. We do not regard it as an obstacle to this rise that it will be greater than the rate of annual rise in money incomes that is consistent with avoiding inflation and the setbacks that inflation brings to national economic

development. The rise we recommend forms no part of the annual improvement in which all workers can expect to share as our economy develops. The need it is meant to meet has not been created by any upsurge of activity in recent months, but has been persistent. The White Paper on *Incomes Policy: the Next Step* (Cmnd. 1626, February, 1962) says in paragraph 8: "In a fully employed economy there are bound to be scarcities of many kinds of labour. A shortage of labour within a particular industry or firm would not of itself warrant an increase in pay. It is only where the building up of manpower in one industry relatively to others, or the prevention of a threatened decline, is plainly necessary that an increase on those grounds could be justified." It is more than the prevention of a threatened decline that is our aim here: the existing decline must be arrested.

48. In considering the amount and form of the appropriate present rise, we have taken note of the London Transport Board's view, given us in evidence, "that the proper rostered earnings for the Central bus driver should be 310s. per week exclusive of efficiency payments, and they would propose to secure this by increasing the present basic rate of 252s. 6d. per week to 267s. 6d. per week"; together with the rises in the other basic rates that appear in the following table:—

	Standard weekly rates after 12 months' service		Rise
	Present	Proposed	
Central buses, and double deck coaches			
Drivers ...	252 6	267 6	15 0
Conductors	242 6	252 6	10 0
Country buses			
Drivers ...	239 0	250 0	11 0
Conductors	229 0	237 6	8 6
Single deck coaches			
Drivers ...	249 0	262 0	13 0
Conductors	229 0	237 6	8 6

We calculate that the weighted average rise here is about 12s. 2d., which according to Table 1 would mean a total rise in cost for the road services of about £1.35 million a year. We consider that, as an interim measure, these rises are of a kind that is appropriate in its total amount, and also in its distribution of this total between the different sections of the staff, to which the considerations that warrant a present rise apply in different degree. We hope that rises of such a kind as these will now be put into effect by agreement between the London Transport Board and the Transport and General Workers' Union.

49. We believe we can make the present recommendation without prejudice to our consideration of the issues within our terms of reference

that we are now going on to examine: indeed we hope that its implementation will help all parties concerned to co-operate with us as we go on to complete our task.

HENRY PHELPS BROWN (*Chairman*).  
HADLEY J. BUCK.  
ALEX SAMUELS.  
CHRISTOPHER T. SAUNDERS.  
RON SMITH.

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12TH DECEMBER, 1963.



MINISTRY OF LABOUR  
MINISTRY OF TRANSPORT

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